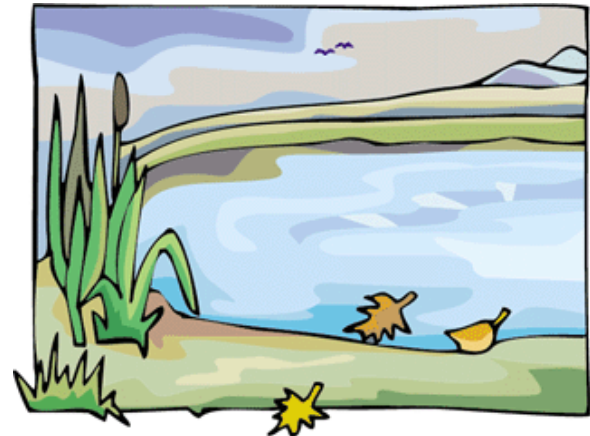


FACTORS OF PRODUCTION

What is needed for industrialization?

LAND

- Physical space for production
 - ▣ Own or Rent
 - ▣ Geographic features – ports, etc.
- Raw Materials/Natural Resources
 - ▣ Wind, Sun, Water, Coal, Timber, Oil, Metals



LABOR

- Human effort/work
 - ▣ Workers – skilled and unskilled
 - ▣ Wages (cost of labor)
 - ▣ Produces goods or services



CAPITAL



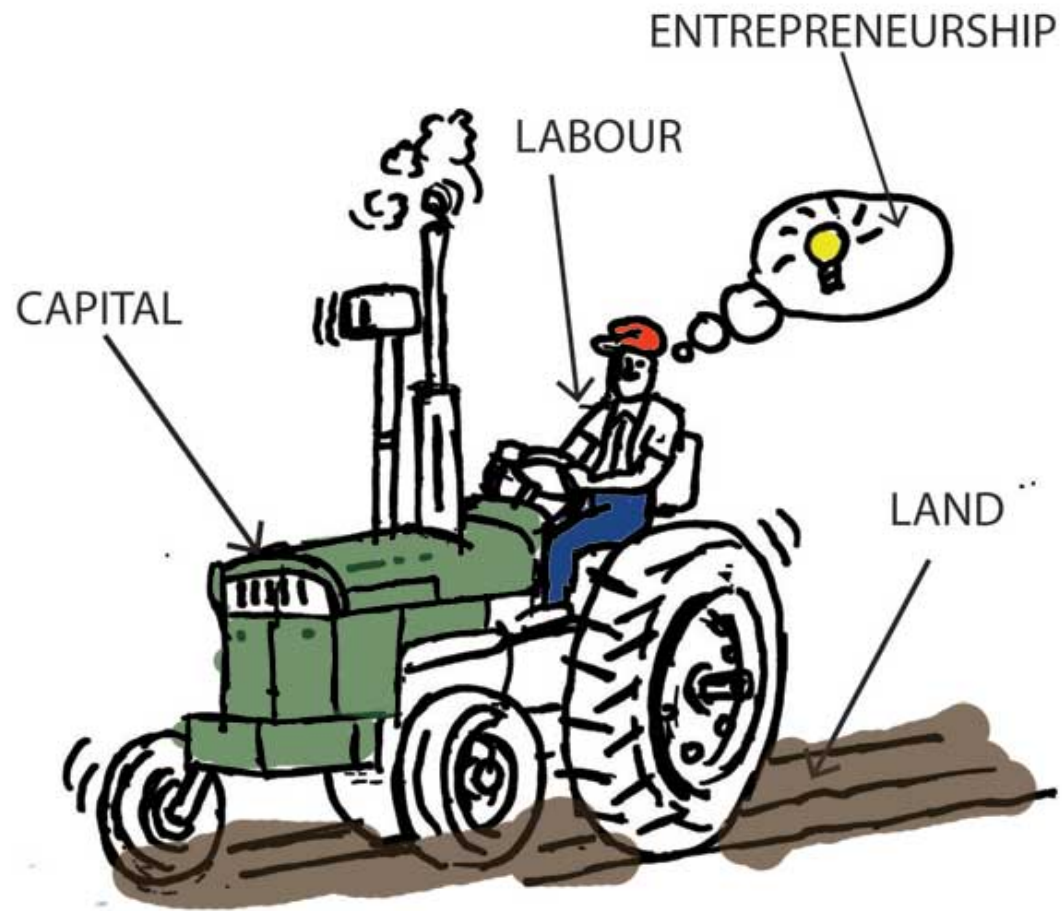
- Human-made goods used for production
 - ▣ Aka “means of production”
 - ▣ Machinery, tools, factory buildings
- Intellectual Capital
 - ▣ Knowledge – Scientific, Mechanical, Managerial
- Financial Capital = \$\$\$
 - ▣ Financing to obtain all the means of production



Entrepreneurship – 4th Factor?

- Individuals or corporations capable of bringing together capital and labor to utilize land
- Aided by political and economic stability





Are there any other things needed to industrialize?

- Markets for your products (demand)
- Financial institutions (banks) to provide investments in capital
- Trade relationships with other countries/regions that would allow for specialization
 - ▣ e.g. England purchased cotton from U.S. for textile industry

Application:

- Look back through the Industrial Revolutions: Beginnings DBQ packet.
- For each document (after answering the question in the packet), identify which of the Factors of Production are at play.
 - ▣ Example: For Doc. 1, it is LAND.
- There may be more than one factor appropriate for some documents.
- After completing that, answer the DBQ question (Why did the Industrial Revolution begin in England) in a full paragraph. Try to use specific examples from the packet and the Factors of Production in your response.